SHUAA CAPITAL psc شعاع كابيتال ش م ع

15 June 2009

Securities and Commodities Authority
PO Box 33733
Abu Dhabi

Attention: Mr. Abdullah Al-Turaifi
Chief Executive Officer

Dubai Financial Market
PO Box 9700
Dubai

Attention: Mr. Essa Kazim
Chairman

Re: <u>Conversion of outstanding notes / Increase of share capital / Registration of new shares</u>

Dear Sirs:

We refer to the AED 1,500,000,000 6.0 per cent convertible notes issued by SHUAA Capital psc (the "Company") on 31 October 2007 (the "Notes") pursuant to approval by its extraordinary general meeting of shareholders on 2 September 2007 (the "EGM") and subscribed in full by Dubai Banking Group pjsc ("DBG").

We now wish to inform you that we have given notice to DBG of our intention to implement our election to convert the Notes in their entirety into 250 million (250,000,000) fully paid shares of the Company (the "Shares"). A copy of that notice is attached.

When it resolved to issue the Notes, the Board of Directors of the Company also resolved, consistent with the Company's obligations under the Notes and consistent with the authority conferred on them by the EGM, to increase the share capital of the Company by issuing 250 million new shares, as and when necessary in order to accommodate conversion of the Notes in accordance with their terms. I have been authorized and instructed by the Board of Directors to act in relation to this matter.

Accordingly, we now kindly request you, with immediate effect, to arrange for official registration of an additional 250 million shares of the Company in uncertified form through the Dubai Financial Market within seven Business Days (as defined in the Notes), to the account of Dubai Banking Group pjsc or to such other account as DBG may specify in writing in a timely manner.

We also request you to post the accompanying announcement on the DFM website, for the benefit of shareholders and potential investors, and the market in general.

Thank you for your cooperation in this matter.

Yours sincerely,

Majid Saif Al Ghurair
Chairman

Encls. (1) Notice to Dubai Banking Group
(2) General notice to the market

Head Office: Emirates Towers, Level 28, P.O. Box 31045, Dubai, U.A.E.
Tel: +971 (4) 330-3600, Fax: +971 (4) 330-3550
e-mail: info@shuaacapital.com
www.shuaacapital.com
Authorized and paid up capital AED 550,000,000
Commercial Registration No. 5808
A financial investment company licensed and regulated by the U.A.E Central Bank

المكتب الرئيسي : أبراج الإمارات، الطابق ٢٨ - ص.ب ٣١٠٤٥، دبي، إ.ع.م
هاتف: ٣٦٠٠-٣٣٠ (٤) ٩٧١+، فاكس: ٣٥٥٠-٣٣٠ (٤) ٩٧١+
بريد الكتروني: info@shuaacapital.com
www.shuaacapital.com
رأس المال المصدر والمدفوع ٥٥٠،٠٠٠،٠٠٠ درهم الإمارات العربية المتحدة
رقم السجل التجاري ٥٨٠٨
شركة استثمارات مالية مرخصة وخاضعة لرقابة المصرف المركزي لدولة الإمارات